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U.S. Small Business Administration
Office of Advocacy

The Facts about Small Business 1999

A summary of key small business data prepared by the Office of Economic Research of the U.S. Small Business Administration's Office of Advocacy. Home page: http://www.sba.gov/ADVO

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Foreword

The Facts about Small Business 1999 is a brief summary designed for the lay reader with an interest in small business. It uses a variety of sources, including the newly available Business Information Tracking System (BITS) file to provide an overview of small business—their numbers, characteristics of ownership, employment, and innovative contributions, as well as their involvement in the financing and government procurement markets.

The Office of Advocacy is charged by law to "examine the role of small business in the American economy and the contribution small business can make in improving competition." Within Advocacy, the Office of Economic Research supports this research function by defining small business contributions, evaluating small business vital signs, determining regulatory impacts on small firms, and monitoring small business financing. The office designs and funds data collection for measurement of small business activity, develops reports on the data, funds research, disseminates reports and data for policy making decisions and further research, and answers small business questions raised by various Advocacy constituencies.

We hope this brief review will stimulate further interest in this important segment of the American economy. Comments may be directed to the Office of Economic Research at (202) 205-6530.Visit the Office of Advocacy's World Wide Web site at *http://www.sba.gov/advo/* for copies of the Advocacy research reports and additional information about small businesses.

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Introduction

Small businesses with fewer than 500 workers employ 53 percent of the private nonfarm work force, contribute 47 percent of all sales in the country, and are responsible for 51 percent of the private gross domestic product. Industries dominated by small firms contributed a major share of the 3.1 million new jobs created in 1998. Over the 1990-1995 period, small firms with fewer than 500 employees created 76 percent of net new jobs.

Small firms provide most initial on-the-job training. They are more likely to employ younger and older workers, former welfare recipients, and women, many of whom prefer or are able to work only on a part-time basis.

The following facts are based on data from a variety of sources; many are cited following the text. Where a report authored by the U.S. Small Business Administration (SBA), Office of Advocacy, is mentioned, the full report may be found on the Advocacy Web site at *http://www.sba.gov/ADVO/stats*. Summaries of Advocacy-sponsored research are also available at this site.

Number of Firms

New business formation reached another record level in 1998. An estimated 898,000 new firms with employees opened their doors—the most ever and a 1.5 percent increase over the record 885,000 in 1997. Interest in owning or starting a small business has broken new records over the last five years and part-time entrepreneurs have increased dramatically. About three-quarters of new business owners are also employed in a wage-and-salary job at startup. Sixty percent of new firms begin at home (U.S. Department of Labor, SBA- sponsored research).

The number of business tax returns filed in the United States has increased 73 percent since 1982, to 24.8 million in 1998. More than 99 percent were filed by firms defined as small under size standards set by the SBA. These tax returns represent corporations, partnerships and sole proprietorships. Almost two-thirds operate full-time, the rest part-time (Internal Revenue Service, Statistics of Income).

Firms with at least one employee, but fewer than 500, increased by 10.6 percent, from 4.95 million in 1988 to 5.48 million in 1996. (Note that the static data used here do not account for small firms that grow large.)

About 21 million Americans—17 percent of all U.S. non-agricultural workers—are engaged in some entrepreneurial activity, including both full-time and part-time entrepreneurship (SBA-sponsored research).

Business Dissolution

Of every seven businesses that shut their doors, only one actually fails, leaving unpaid obligations. The remainder close for voluntary reasons, such as a desire to enter a new field, or for personal health or other reasons (SBA-sponsored research). Business bankruptcies declined by 17.9 percent, from 53,843 in 1997 to 44,005 in 1998. The 1998 level represents a record low share of bankruptcies and the lowest number since 1981, when the total number of businesses was much smaller.

Income

The income of nonfarm proprietors and partners rose to $548.5 billion in 1998, up from $515.8 billion in 1997, an increase of 6.3 percent. More than half of employees work in small firms: employee compensation rose 7.2 percent in 1998 (U.S. Department of Commerce, Bureau of Economic Analysis). Nonfarm proprietorship income is typically about 10 percent of total employee compensation (wages and salaries). About 78 percent of small firms are organized as proprietorships or partnerships. Income increased for most small business owners in 1998 and inflation remained under 2 percent.

Employment

The most precise data available for tracking job creation by firm size are from the Office of Advocacy's new longitudinal enterprise and establishment microdata (BITS) file, prepared under contract with the Bureau of the Census. The data are available with a time lag of 3-4 years; SBA researchers have analyzed job creation data through 1996.

According to the BITS, small firms with fewer than 500 employees created 72.7 percent of the 3.59 million new jobs in 1994-1995 and 76.2 percent in 1990-1995. About two-thirds came from expansions of existing businesses; the remainder were from births of new firms.

The new data portray the continuing volatility or "churning" in the economy. The net 3.59 million new jobs were the product of jobs created—5.76 million from firm births and 10.6 million from expansions—minus jobs lost—8.2 million from contractions and 4.53 million from deaths of existing businesses. These data represent a turnover rate of 27 percent of the business population.

The largest job creators were micro-businesses with 1-4 employees, which created about 500,000 net new jobs through new firm births and another 500,000 through expansions over the 1994-1995 period. Small companies with 20-99 employees added 576,000 net new jobs or about 22 percent of the small firm total.

From 1994 to 1998, about 11.1 million net new jobs were added to the economy. According to Cognetics, Inc., data by firm size, virtually all were generated by small firms with fewer than 500 employees. Large companies continued to downsize, and separations exceeded hires. Microbusinesses with 1-4 employees generated 60.2 percent of the net new jobs over this period; firms with 5-19 employees created another 18.3 percent.

Job Creation by Industry

Because of the time lag in the availability of Census data, the Office of Advocacy combines industry information about firm size dominance with Bureau of Labor Statistics (BLS) industry data on current job growth to provide estimates of recent job creation by firm size. Small-(or large-) business-dominated industries are defined as having at least 60 percent of industry employment in firms with fewer (or more) than 500 employees; industries with between 40 and 60 percent of employment in small or large firms are said to be "indeterminate."

The economy grew dramatically in 1998, adding almost 3.1 million new nonfarm payroll jobs, many of them in small firms. Seven of the 10 industries adding the most new jobs in 1998 were dominated by small firms.

The most prolific small-firm-dominated job creator was engineering and management services, which added 231,000 new jobs and expanded 7.7 percent (BLS data and Advocacy research). Expanding opportunities in the information technology sectors account for a major share of new opportunities for new bachelor's level science and engineering graduates (Research sponsored by the National Science Foundation).

Other small-business-dominated sectors producing many new jobs in 1998 included special trade contractors in the construction sector (168,000), wholesale trade (134,000), parts of the amusement and recreation sector (115,000), social services (114,000), and restaurants (110,000).

Business services, a sector dominated by neither small nor large firms, created the most jobs (563,000) in 1998. Only two large-firm-dominated sectors—temporary personnel agencies and hospitals—created more than 50,000 new jobs.

The fastest growing small-business-dominated industries over the past several years have included computer programming and management consulting services, residential building construction, job training services, amusement and recreation services, credit reporting and investment firms, providers of day care, and counseling and rehabilitation services. Two large-firm-dominated sectors have also grown rapidly: security and commodity (stock) brokerages, and nondepository financial institutions such as finance companies.

According to recent BLS projections, small-firm-dominated sectors will contribute about 60 percent of new jobs from 1994 to 2005. About 88 percent of the new jobs will be in retail trade or services. Among the fastest growing small-business-dominated sectors over this period will be medical and dental laboratories (up 84 percent), residential care industries (up 83 percent), credit reporting (up 68 percent), equipment leasing (up 51 percent), child day care services (up 59 percent), and job training (up 43 percent). Jobs in high-paying service sectors including offices of physicians and architectural and engineering services will rise about 30 percent. The restaurant industry—always a prolific small business job creator—is projected to add 1.02 million new jobs from 1994 to 2005.

Women-Owned Firms

According to the Office of Advocacy report, *Women in Business*, significant growth has occurred in all areas of women's business ownership:

- The number of women-owned businesses increased 89 percent over the 1987-1997 decade to an estimated 8.5 million in 1997, compared with a 29 percent increase in the total number of firms.
- Women-owned firms generated $3.1 trillion in revenues, up 209 percent between 1987 and 1997, after adjusting for inflation.
- Some 23.8 million employees (about 18 percent) worked for women-owned firms, up 262 percent over the 1987-1997 period.
- More than 1.4 million women-owned firms with employees generated $2.8 trillion in revenues in 1997. Their numbers grew by 46 percent, their revenues by 221 percent (adjusted for inflation) from 1987 to 1997.
- Women-owned sole proprietorships are expected to number 7.1 million, or 35 percent of all sole proprietorships by 2000.
- About 4.7 million women will be self-employed by 2005, up 77 percent from 1983, compared with a 6 percent increase in self-employed men.
- Over the 1987-1992 period, women-owned firms increased fastest in the capital-intensive industries of wholesale trade, manufacturing, and construction.
- In 1992, 3.5 percent of all women-owned firms and 16 percent of those with 20-100 employees were franchises. Women own about 10 percent of franchised firms.
- More than 60 percent of women businesses were first operated in the home.

Minority-Owned Firms

In *Minorities in Business*, the Office of Advocacy presents available data on firms owned by African, Hispanic, and Asian, Pacific Islander, American Indian, and Alaskan Aleut Americans. Advocacy researchers used Census data for 1982, 1987, and 1992 to estimate the contributions of minority-owned firms in 1997. Self-employment projections by race, financing patterns by minority group, and procurement trends are also presented.

- Over the1987-1997 decade, the number of minority-owned firms increased 168 percent to about 3.25 million by 1997.
- Minority-owned firms generated $495 billion in revenues in 1997, up 343 percent from 1987, adjusted for inflation.
- Of the 3.25 million firms, more than 520,000 had employees in 1997, up 111 percent from 1987.
- These employer firms generated $431 billion in revenues, up 432 percent from 1987, adjusted for inflation.
- An estimated 3.9 million employees worked for minority-owned firms in 1997, an increase of 362 percent from 1987.
- Of the 11.5 million people with some self-employment earnings in 1997, about 5.8 percent were Hispanic, 5.8 percent African American, and 4.5 percent Asian and other.
- From 1990 to 2000, persons with self-employment as their primary occupation will increase by 37 percent among Hispanic Americans, 21 percent among African Americans, and 6.9 percent among Whites.
- Of all firms in existence in 1992, 75.5 percent were still in existence by 1996. This compares with 74.3 percent of Hispanic-owned firms, 68.9 percent of Black-owned firms, and 79.2 percent of Asian and other minority-owned firms.
- About 4.8 percent of Asian and other minority-owned firms were franchised, compared with 4.1 percent of Black-owned firms, 2.8 percent of Hispanic-owned firms, and 3.1 percent of all firms.
- Exporters represent less than 1 percent of Black-owned, 2.3 percent of Asian American-owned, and 2.7 percent of Hispanic-owned firms, and 1.8 percent of firms overall.
- From 1987 to 1992, Hispanic- and Asian-owned firms grew fastest in finance, insurance, and real estate; for Blacks, the fastest growing industry was services.
- According to the 1993 National Survey of Small Business Finances, 75.7 percent of all small firms and 69.9 percent of Hispanic-owned, 63.3 percent of Black-owned, and 67 percent of all minority-owned firms (including Asian) used some type of credit.
- Commercial banks were a business credit source used by 36.9 percent of all firms and by 32.6 percent of Hispanic-owned, 15.4 percent of Black-owned, and 26.6 percent of all minority-owned firms.
- About 45-50 percent of all minority-owned firms used credit cards in 1998.

Hispanic-Owned Businesses (Of Any Race)

- The number of Hispanic-owned businesses increased 232 percent from 1987 to 1997 to an estimated 1.4 million. Their revenues increased 417 percent adjusted for inflation.
- Of Hispanic-owned firms, more than 200,000 had employees in 1997, up 144 percent from 1987. Their revenues grew 529 percent over the period to $160 billion.
- The number of employees working for Hispanic-owned firms grew 464 percent over the decade to 1.5 million workers.
- Hispanic-owned businesses made up nearly 44 percent of all minority-owned firms in 1997, up from 34.8 percent in 1987.

African-American Owned Businesses

- The number of African-American-owned firms increased 108 percent from 1987 to 1997 to 881,646. Their revenues were up 109 percent, adjusted for inflation.
- The number of Black-owned businesses with employees grew just 27 percent over the 1987-1997 decade, but their revenues were up 127 percent, adjusted for inflation.
- More than 580,000 employees worked for Black-owned businesses in 1997, up 165 percent over the previous decade.

- Black-owned firms made up 27.4 percent of all minority-owned firms in 1997.

Asian, Pacific Islander, American Indian, and Alaskan Aleut-Owned Businesses

- The number of Asian and other minority-owned firms increased 180 percent from 1987 to 1997 to about 1.1 million. Their revenues grew 463 percent, adjusted for inflation, to $275 billion.
- Nearly 250,000 of these businesses had employees, up 157 percent between 1987 and 1997. They generated $245 billion in revenues, up 580 percent over the period.
- The number of employees working for these businesses grew 432 percent from 1987 to 1997, to 1.9 million workers.
- Asian and other minority-owned firms made up 32.9 percent of all minority-owned firms in 1997, a slight increase over the 31 percent share in 1987.

Exports by Small Firms

Exporting by Small Firms, Advocacy's study based on 1992 data from the U.S. Department of Commerce, shows that small firms with fewer than 500 employees represent 95.7 percent of exporters of goods and contribute almost 30 percent of the value of exported goods. Overall, however, only 1.8 percent of all firms (excluding C corporations) export goods or services. Clearly, the potential for small firms to expand into exporting is enormous. Highlights include the following:

- Of the 112,854 exporters of goods in 1992, 108,026—95.7 percent—were small firms.
- Small firms, with 47 percent of sales overall, accounted for 29.5 percent of the $349.0 billion in exported goods in 1992.
- Only 1.8 percent of firms, excluding C corporations, exported goods or services in 1992. About 3.0 percent of firms with employees (82,300 firms) were exporters, as were 1.6 percent of firms without employees (227,500 firms).
- In 1992, 9.3 percent of manufacturers were exporters, as were 8.0 percent of wholesale trade firms, 1.5 percent of retail and service firms, 1.0 percent of finance, insurance and real estate firms, and 0.3 percent of construction firms.
- California, New York, and Florida had the most small firm representation in exporting. The percentage of exporters that were small firms ranged from 92.5 percent in California to 61.3 percent in West Virginia.
- Canada was at the top of the list of countries receiving U.S. exports, both in the number of exporters and the value of shipments. The United Kingdom received exports from the second largest number of U.S. firms and Japan was second most significant in value of U.S. shipments.
- Of U.S. women-owned firms in 1992, 1.1 percent exported goods or services, and exports represented 50 percent or more of total sales for 30 percent of the exporters.
- Exporters represent 2.7 percent of Hispanic, 2.3 percent of Asian American, 1.8 percent of White, and 0.8 percent of Black-owned firms.

Innovation

SBA-sponsored research has added to the understanding of small firms as innovators:

- Small firms produce 55 percent of innovations. They produce twice as many of both product innovations and significant innovations per employee as large firms, including the employment of firms that do not innovate.
- Small firms obtain more patents per sales dollar and seem to have more discoveries than large firms, since large firms are more likely to patent a discovery.

- Small research and development (R&D) firms are quite research-intensive: 6.41 percent of small R&D firm employees are scientists and engineers, compared with 4.05 percent in large R&D firms.
- Large firms receive 26 percent of their R&D dollars from the federal government; small firms only 11 percent.
- A federal R&D dollar is more than four times as likely to be used for basic research in a small firm compared with a large firm.
- The rate of return on R&D expenditures is 26 percent for both small and large firms, but only 14 percent for firms not involved with a university. Estimated rates of return on total R&D in firms with a university relationship are 30 percent for large firms and 44 percent for small firms.
- The average small enterprise with intellectual property has 61 employees, 19 percent in R&D. The average large enterprise with intellectual property has 12,879 employees, 3 percent in R&D.
- Among important small firm innovations in the 20th century are the airplane, audio tape recorder, double-knit fabric, fiber optic examining equipment, heart valve, optical scanner, pacemaker, personal computer, soft contact lens, and zipper.

Innovations are expected to increase in small high-tech firms in the coming years as a result of the Small Business Innovation Research (SBIR) program. Under this program, federal agencies with large extramural R&D budgets must direct a share of their R&D funding to small firms. Congress in 1992 reauthorized the SBIR program to continue through September 30, 2000.

Since its inception in FY 1983, the SBIR program has made almost $6.5 billion in competitive federal R&D awards to some 41,000 qualified small business concerns. The program is now growing by $1 billion annually.

High Technology Employment

Of the 4.5 million workers in high technology occupations (scientists, engineers, computer programmers and analysts), 37.9 percent worked in small firms in 1996, up from 32.3 percent in 1991 (Current Population Survey).

Large established firms account for a sizable share of industrial innovation, but small firms also play a crucial role in the process by which technological ideas are brought to the marketplace. A recent study by George Washington University for the Office of Advocacy finds as follows:

- Firms were started for very traditional reasons. Entrepreneurs had a clear perception of an opportunity to develop a business through a new product, coupled with a desire for both independence and financial reward.
- The marketing strategy most frequently cited by respondents was either to be the first to the market with a new product or to find a market niche and develop it. These companies much less frequently wait for a market to develop.
- Survey respondents' businesses showed a profit quickly after they were founded. Nearly 90 percent recorded their first sale within one year of founding; two-thirds had profits by the second year.
- Firms obtained loans for many reasons, most frequently to expand production or purchase equipment. Initial funds were used to start the firm or to take a product beyond the prototype. Loans were less often obtained to develop an initial concept or make a prototype.
- About one-third of the firms were initially financed by equity alone; for more than 60 percent of firms, owners or

managers had contributed more than half of the equity. This is consistent with the ownership profiles of the firms, most of which were closely held businesses.
- Patents and other formal intellectual property rights are less important than trade secrets and being first to market. Reasons cited for less emphasis on patents included costs and problems associated with patent enforcement.

Electronic Commerce

Outside surveys reviewed in a recent Advocacy study, *E-Commerce: Small Business Ventures Online,* show more small firms using electronic commerce (Table A).
- More than 4.5 million small employers (83 percent of all employers) used computer equipment in their operations in 1998.
- The share of small firms with access to the Internet nearly doubled, from 21.5 percent in 1996 to 41.2 percent in 1998.
- Small businesses using the Internet have higher revenues, averaging $3.79 million compared with $2.72 million overall.
- The Internet is most commonly used by small businesses in insurance agencies, law firms and in other service sectors.
- For 78 percent of small business owners, the major reason for having a Web site is to reach new and potential customers, and 35 percent maintain a Web site.
- Cost is small business' major barrier to the adoption of e-commerce.
- E-mail and research (finding new customers) continue to be small firms' most popular uses of the Internet.
- In 1997 small firms will earn $3.5 billion in e-commerce sales; this is projected to increase to $25 billion by 2002.

Table A Small and Medium-Sized Firms' Uses of the Internet

	Percent
Business e-mail	51
Research	47
Personal e-mail	35
Web-site	23
Online transaction	22
Online ordering	19
Employment	4

N = 504

Note: Respondents included small and medium-sized firms.
Source: Arthur Andersen's Enterprise Group and National Small Business United, November 1998.

- Only 1.4 percent of Internet use among small firms is directed toward e-commerce. Online retail marketing is experiencing about 200 percent annual growth, and traffic online has been doubling every 100 days; however, Internet sales account for less than 1 percent of total retail sales.
- Only 5 percent of consumers who visit the Web become customers.
- Revenues of e-commerce will be more than $300 billion in 2002, and by 2003, e-commerce retail purchases are expected to be about 6 percent of total retail sales.
- By 2002, it is expected that almost one-third of all business-to-business transactions will be via e-commerce.
- Items currently being purchased on the Internet include commerce items (books, music and apparel), replenishment goods (groceries and personal care items), and research items (homes, computers, cars).

Procurement

In fiscal year (FY) 1998, the federal government spent $195.3 billion for the acquisition of supplies and equipment, construction services, research and development, and other services. Prime contract awards to small firms accounted for 20.8 percent of the total. Of this $40.7 billion awarded to small firms, more than $33.2 billion was in contract actions over $25,000; $7.5 billion was in contract actions under $25,000. Small firms annually receive another 12-14 percent of total procurement in subcontracts.

About 60 percent of federal procurement from minority-owned firms comes through the 8(a) program. The FY 1998 8(a) prime contract total was $6.3 billion. Minority-owned firms received approximately 5.8 percent of all federal procurement, while women-owned firms received approximately 2 percent (Federal Procurement Data Center, Department of Defense, Eagle Eye Publishers).

Financing

As of June 1998, commercial banks had $371 billion in small business loans outstanding (commercial and industrial loans and mortgage loans under $1 million). Total business loans outstanding amounted to $1.0 trillion. Loans under $250,000 totaled $188 billion and loans under $100,000 were valued at $112 billion (Table B).

Taking into consideration some reporting differences from the 1997 study for one large bank, the Office of Advocacy estimates the growth in small business loans at 3.0 percent for loans under $100,000, 8.1 percent for loans of $100,000 to $250,000, and 7.7 percent for loans of $250,000 to $1 million (Table C). The small firm share of lending declined as larger loans of more than $1 million grew more—by 13.0 percent.

The number of small business loans increased considerably, from 7.9 million 1997 to 9.2 million in 1998. However, almost all of the increase (19.3 percent) came in the smallest loan category, those under $100,000. Many of these loans reflect promotions by larger banks of business credit cards and small lines of credit. The other size categories of small loans had a less than 2 percent increase (Table D).

Table B. Number and Dollar Amount of Small Business Loans, 1997 and 1998

Loan Size	1997*	1998
Micro-Loans under $100K		
Dollars (Billions)	108.5	111.5
Number (Millions)	6.73	8.02
Mid-Size Loans under $250K		
Dollars (Billions)	178.8	187.8
Number (Millions)	7.37	8.67
Small Business Loans under $1 Million		
Dollars (Billions)	348.7	370.8
Number (Millions)	7.90	9.22
Total Business Loans		
Dollars (Billions)	923.2	1,020

*Loans outstanding for 1997 were revised based on estimates for Keycorp.

Table C. Change in the Dollar Amount of Business Loans by Loan Size, 1994-1998 (Percent)

Loan Size (Thousands)	94-95	95-96	96-97*	97*-98
<$100	2.8	4.8	2.9	3.0
$100-250	9.8	5.7	5.2	8.1
$250-1,000	9.5	5.7	5.7	7.7
>$1,000	12.8	5.1	11.5	13.0

*Changes for 1996-1997and 1997-1998 were estimated based on revised estimates for Keycorp in 1997. Dollar amounts are in nominal values.

Table D. Change in the Number of Small Business Loans by Loan Size, 1994-1998 (Percent)

Loan Size (Thousands)	94-95	95-96	96-97*	97*-98
<$100	8.6	8.8	26.6	19.3
$100-250	10.7	6.0	8.6	1.8
$250-1,000	11.6	7.5	8.0	1.4

*Changes for 1996-1997and 1997-1998 were estimated based on revised estimates for Keycorp in 1997.

Overall, small firms rely more on owner capital and less on external debt capital than larger firms. In addition, small firms are more dependent than large firms on short-term debt relative to long-term debt. Most small firms use external financing only occasionally. Less than half of small firms borrow once or more during a year. However, small firms experiencing rapid growth or those with high volumes of receivables require frequent external financing.

The cost of borrowed funds is higher for small firms. Interest rates on bank loans for small firms average 2 or 3 percentage points more than the prime rate. Fixed-rate loans are usually more expensive than floating-rate loans.

Most small firms have used some form of financing. The 1993 National Survey of Small Business Finances, co-funded by the SBA and the Federal Reserve Board, revealed the following financing patterns in firms with 1-499 employees. (See "Financial Services Used by Small Business: Evidence from the 1993 National Survey of Small Business Finances," July 1995, *Federal Reserve Bulletin*).

- Of all small firms, 61 percent had used trade credit and 56 percent had used a traditional financing source such as a credit line, mortgage loan, or lease. In 1993, 26 percent had lines of credit, 9 percent had financial leases, 6 percent had mortgage loans, 14 percent had equipment loans, and 24 percent had motor vehicle loans.
- The credit card is also a very important financing source: 39 percent of small firms used personal credit cards for business purposes and 28 percent used business credit cards in 1993. About 40 percent of firms with fewer than 10 employees used personal credit cards compared with 22-24 percent of larger firms with 50 or more employees. In 1998, an estimated 45-50 percent of small firms used credit cards.

- Of larger small businesses with 100 to 499 employees, 60 percent had lines of credit, 30 percent had financial leases, 19 percent had mortgage loans, 29 percent had equipment loans, and 26 percent had motor vehicle loans in 1993.

Thirty-seven percent of small firms obtained some financing from commercial banks, the dominant supplier of external financing to small firms. Other major suppliers include finance companies, leasing companies, and other non-financial institutions.

Additional Information

Visit SBA's Office of Advocacy on the World Wide Web at http://www.sba.gov/advo/ for a complete list of the Office of Advocacy's economic research and regulatory comment letters. See the following Office of Advocacy references in addition to those listed above:

- *The State of Small Business: A Report of the President* (Washington, D.C.: U.S. Government Printing Office, 1982-1998).
- *Small Business Economic Indicators*: (Washington, D.C.: U.S. Small Business Administration, Office of Advocacy, 1995-1999).

Other available SBA programs and services include training and educational programs, advisory services, publications, and financial and contract assistance. The SBA also offers specialized programs for women business owners, minorities, veterans, international trade, and rural development.

The SBA has offices located around the country. More information is available at http://www.sba.gov/regions/states.html. Or consult the local telephone directory under U.S. Government or call the Small Business Answer Desk at 1-800-U ASK SBA. The Answer Desk office has a comprehensive listing of SBA publications and requires a computer and modem for free access.

All of SBA's programs and services are extended to the public on a nondiscriminatory basis.